

# Microfinance effective tool for inclusive growth, says Dr Stephen Gordon

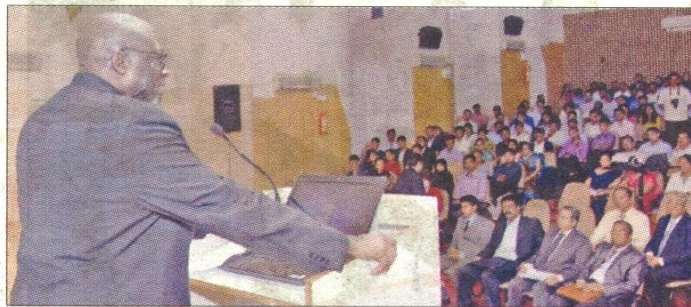
**1** The Head of Financial Mathematics of Baze University in Nigeria was speaking on Global Economic Growth and Sustainability at SDMIMD

**Chamundi Hills Road:** “Micro-financing is an effective tool for economic development. It is a veritable strategy for creating financial inclusion and equality in a more sustainable way,” said Professor and Head, Financial Mathematics, Baze University, Nigeria, Dr Stephen Aro-Gordon.

He was speaking on ‘Microfinance as a Strategy for Accelerating Global Inclusive Growth and Sustainability’ at a two-day international conference on ‘Global Economic Growth and Sustainability – Prospects and Challenges’ at the SDM Institute for Management Development (SDMIMD) on Friday.

Dr Stephen addressed issues of concern in economics and felt the need to review global growth and examine sustainability issues. He emphasised on the emerging market risks along with private capita income for inclusive growth. “The inclusive growth may also make the poverty eradication efforts effective by explicitly creating productive economic opportunities for the poor and vulnerable sections of the society,” he said.

He further opined that there should be financial services such as saving accounts, insurance funds and credits to poor and low income clients so as to help them increase their income, thereby improving their standard of living. Pointing at the key areas of concerns, Dr Stephen said “Efforts on solving unemployment (jobless growth), food security, education, and good governance issues and climate change



Dr Stephen Aro-Gordon delivers a talk on ‘Microfinance as a Strategy for Accelerating Global Inclusive Growth and Sustainability’ at SDMIMD on Friday.

and threats to peaceful co-existence are also emerging downsides to be more seriously addressed.”

Commenting on environmental issues, he said the Earth, according to a report released on November 9, 2015, had heated up to one degree Celsius and more than 280 million lives would be at risk if it reaches to 2-4 degree Celsius. “There should be equal efforts made towards creating a pollution-free environment under inclusive growth of a country.”

He also expressed concerns over the health of the nations which he said was not growing on par with wealth of the countries. “Wealth of the nations has grown over the years but what about the health? After the failed 2015 MDGs, (1.1 billion developing poverty reduction notwithstanding), we are now on to another onslaught to eradicate extreme poverty by 2030. He added that India stood at 103rd position globally when it came to progress in health which was abysmal when compared China that stood at 55th

position he said.

“Despite the global GDP is US 77.87 trillion dollars, poor people who are in millions, living in extreme poverty globally remains unacceptably high. And the World Bank says, our dream is a world free of poverty, how long it would remain a dream,” he questioned. According to the United Nations, of 7,349 billion world population, 896 million were living under US 1.90 dollar per day, he said.

## Jobless growth

China and India are doing well with sustainable growth in GDP and there is a decline in jobless growth. While India’s GDP stands at 7.4 percent, the jobless growth rate is at 4.9 percent more than China whose jobless growth rate is just 4 percent, Dr Stephen pointed.

Assistant Vice President, Navia Markets Ltd. (Trade Plus), Chennai, Francis Kurian, Director, SDMIMD, Dr N R Parasuraman and Conference Chair, Dr B Venkataraja were present.

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